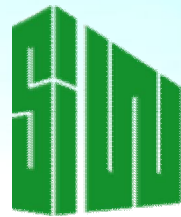




*Profitable unique play in property development  
with premier sites in Hong Kong*



金朝陽集團有限公司  
SOUNDWILL HOLDINGS LIMITED

**878.HK**

**September 2011**

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# Agenda

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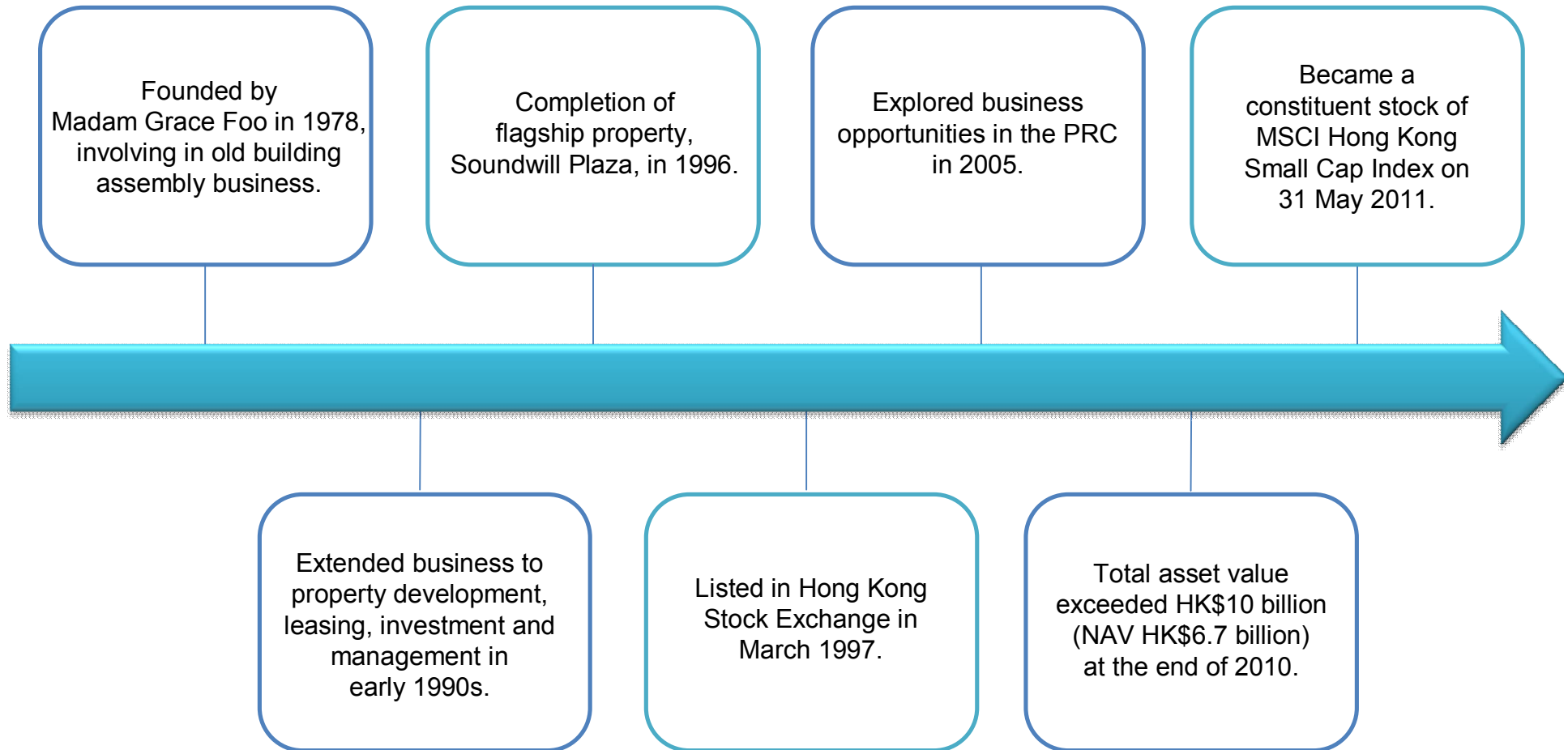
- Company Overview
- Business Review & Prospect
- Financial Review
- Appendix
- Open Forum



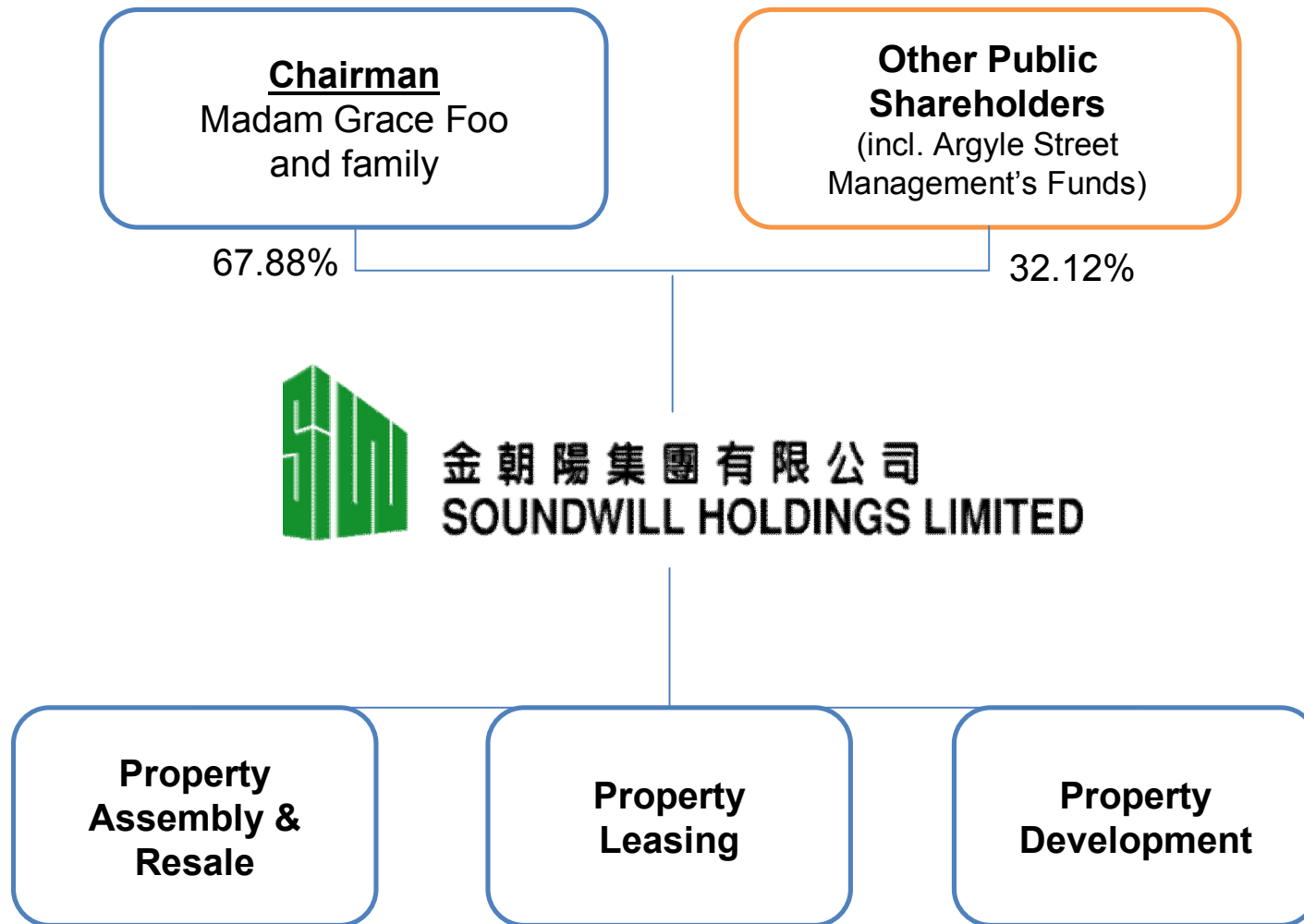
# Company Overview



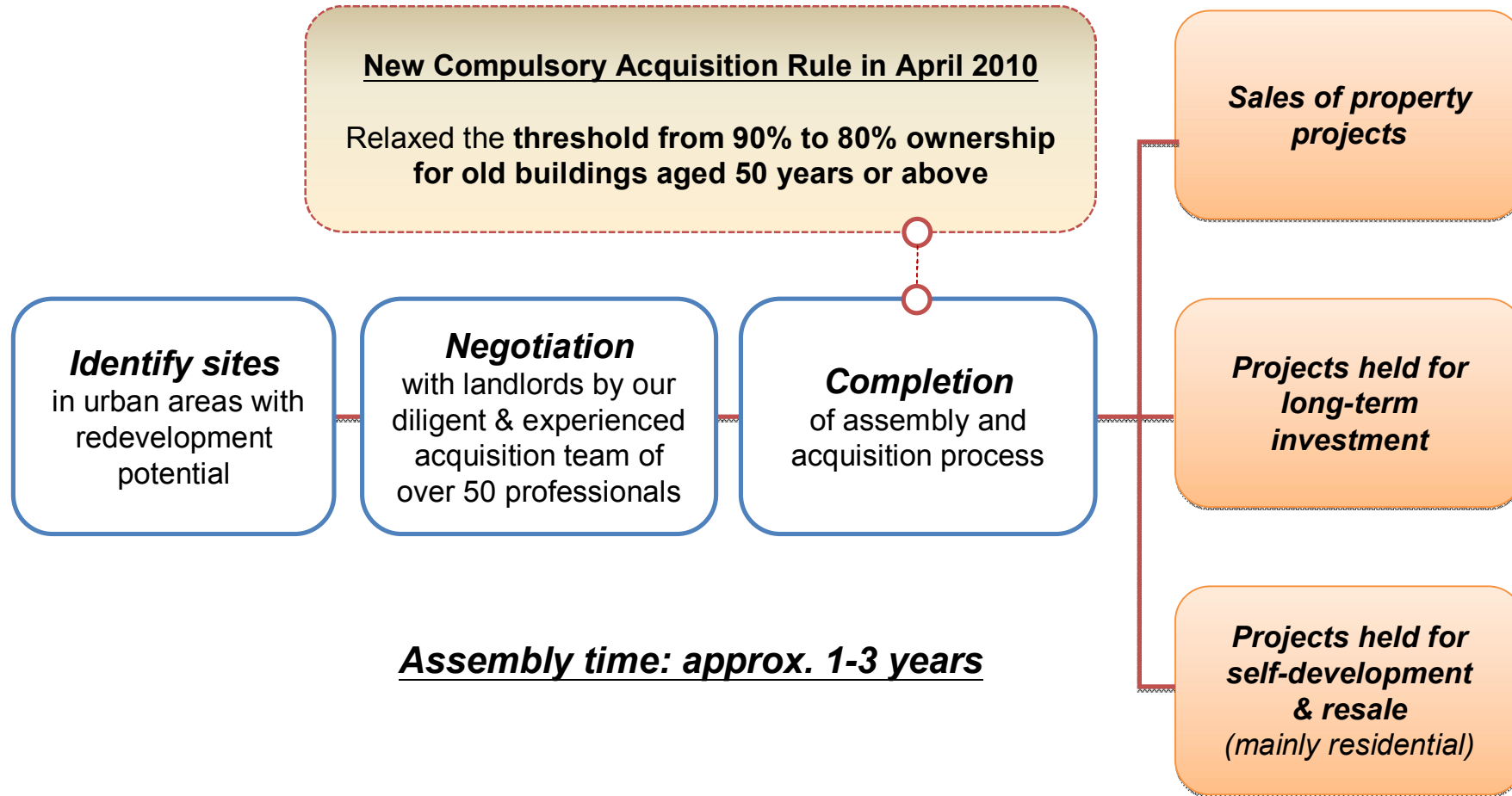
# Corporate Development Milestone



# Shareholder/Corporate Structure

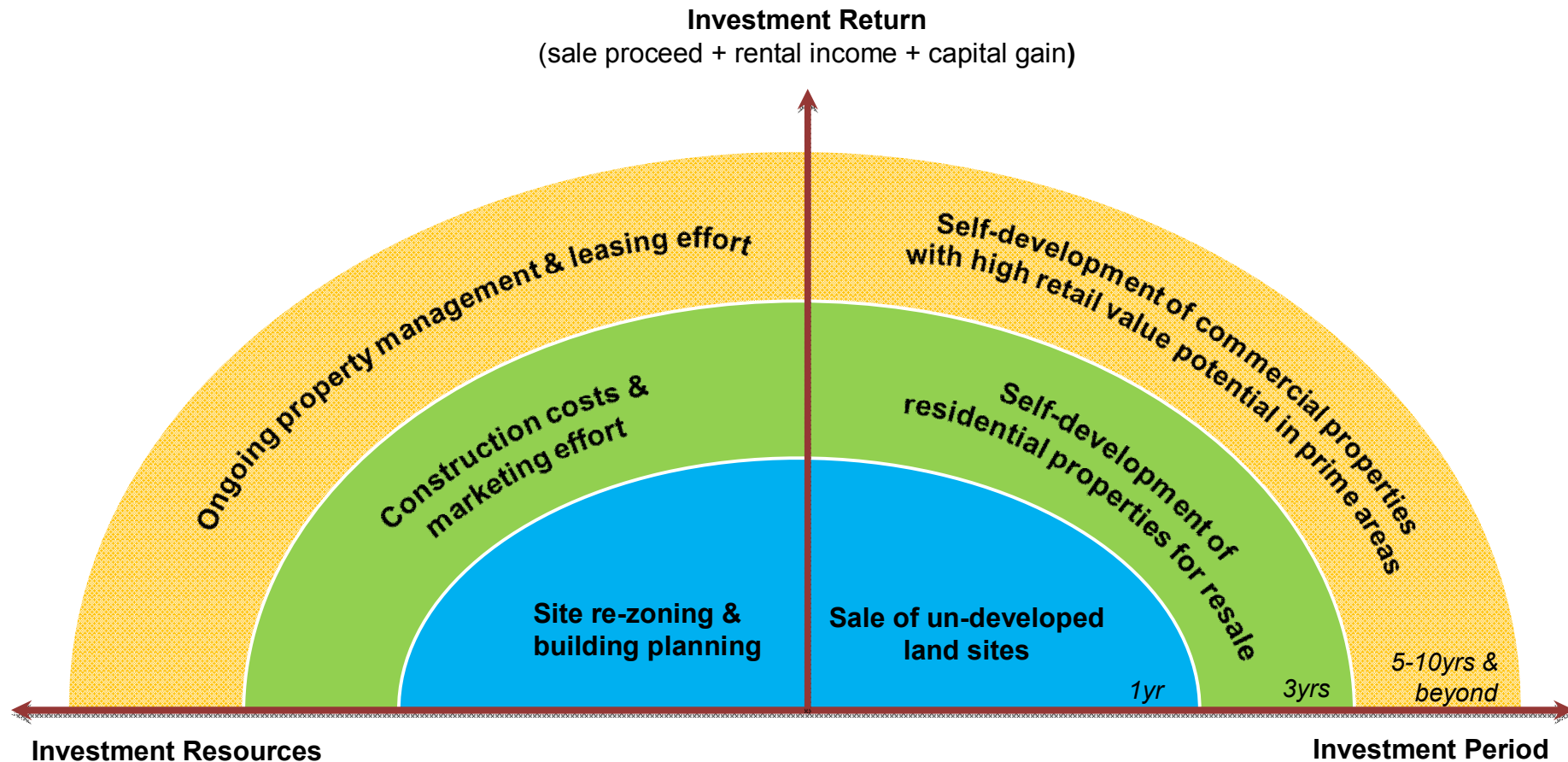


# Sustainable & Unique Business Model



# Sustainable & Unique Business Model (Cont'd)

- **Exit Strategies for Assembled Properties**
- *A Balance of Investment Return, Investment Resources & Investment Period*







# Business Review & Prospect



# Property Leasing Segment

- **Segment Review for 1H2011**



Building	Location	Total GFA (sq. ft.)	Occupancy rate	% of segment sales	Revenue (HK\$m)	
					1H2011	1H2010
Soundwill Plaza	Causeway Bay	246,400	98%	82%	95	90
Other leasing properties	Hong Kong Island	145,280	92%	10%	12	12
Advertising billboards	Causeway Bay	1,253	100%	8%	9	8
<b>TOTAL:</b>		<b>392,933</b>	<b>97%</b>	<b>100%</b>	<b>116</b>	<b>110</b>

# Property Leasing Segment (Cont'd)

- SWP Performance and Outlook



		Unit rental* (per sq. ft.)
Street Level (G/F)	:	HK\$650 – 1,200
Street Level (1/F)		HK\$220 - 260
Upper levels		HK\$25 - 35

		Leasing portfolio (sq. ft.)	Revenue per month* (HK\$m)	Occupancy rate	Lease renewal schedule	
					2011	2012
Street Level	:	8,800 (G/F) + 9,500 (1/F)	9.4	100%	--	80% (G/F) 100% (1/F)
Upper levels	:	228,100	6.9	100%	26%	29%

\*Based on figures in December 2010

**Grade-A commercial building with prime urban location**  
**Commands a street level rental per sq. ft. ranked second highest in the world**

# Property Leasing Segment (Cont'd)

## ▪ *New Development for Leasing*



## Tang Lung Street Project 1-29 Tang Lung Street, Causeway Bay

Aggregate site area: approx. **12,500 sq. ft.**

- Nos. 1-23, approx. 9,900 sq. ft.
- Nos. 25-29, approx. 2,510 sq. ft.

Planned for a Ginza-styled commercial development (similar to SWP)

- Planned GFA: **148,800 sq. ft.**
- Leasing price similar to SWP

Expect completion in 2013

# Property Assembly Segment

## Segment Review for 2010 & 1H2011

Month disposed	Project	Location	Site area (sq. ft.)	Sale price (HK\$m)	Year booked
Jan 10	Lin Fa Kung St. West 蓮花宮西街	Tai Hang	1,900	98.3	1H2010
May 10	Electric Rd. 電氣道	Tin Hau	2,100	168	FY2010
Sept 10	San Wai St. 新圍街	Hung Hom	7,300	325	FY2010

Month acquired	Project	Location	Site area (sq. ft.)	Planned GFA (max. sq. ft.)	Zoning
May 10	Haven St. 希雲街	Causeway Bay	12,900	103,200 (Res)	R/C
Oct 10	Tang Lung St. 登龍街	Causeway Bay	12,500	148,800	C
Nov 10	Sharp Street & Yiu Wah St. 霎東街及耀華街	Causeway Bay	3,200	48,000	C
Dec 10	Merlin St. 麥連街	North Point	5,300	79,000	Hotel

# Property Assembly Segment (Cont'd)

- **Other PA Projects Working / Marketing On Progress**

	<b>Project</b>	<b>Location</b>	<b>Site Area (sq. ft.)</b>	<b>Planned GFA (sq. ft)</b>	<b>Zoning</b>
1.	Hing Wan St.	Wanchai	1,300	16,000	R/C
2.	School St.	Causeway Bay	2,300	22,500	R
3.	Mercury St. (completed with 87.5% ownership)	Tin Hau	2,600	38,600	R/C

**AND**

***Actively pursuing more than 20 pipeline projects  
with total site area of approx. 68,000 sq. ft.  
in prime locations***

# Property Development Segment

## ▪ *Current Residential Development Project in HK*



### **WarrenWoods 尚巒** **13-27 Warren Street, Causeway Bay**

Planned construction period : OP issued before Jun 2012


Land and construction cost : HK\$580m

Site area : 8,800 sq. ft.

Total GFA : approx. 92,600 sq. ft.

Sales Revenue : HK\$1.2b

ASP/sq.ft : HK\$13,500/sq. ft.

 Outstanding market response, **162 units presold within 3 days** in March 2010

- Sales proceeds of over HK\$1.2 billion will be booked in FY2012
- ***The remaining two “CASA WOODS” duplex apartments are reserved for sale*** (approx. 3,300 sq. ft. in total)

# Property Development Segment (Cont'd)

- **Current Residential Development Project in HK (Cont'd)**



## **Park Haven (曦薈)** **32 – 50 Haven Street , Causeway Bay**

Planned construction period : 2011 – late 2013

Land cost : HK\$517m

Total GFA : approx. 103,200 sq. ft.

Est. time of sale : 4Q2011

***An iconic luxury residential development located within the heart of Causeway Bay***



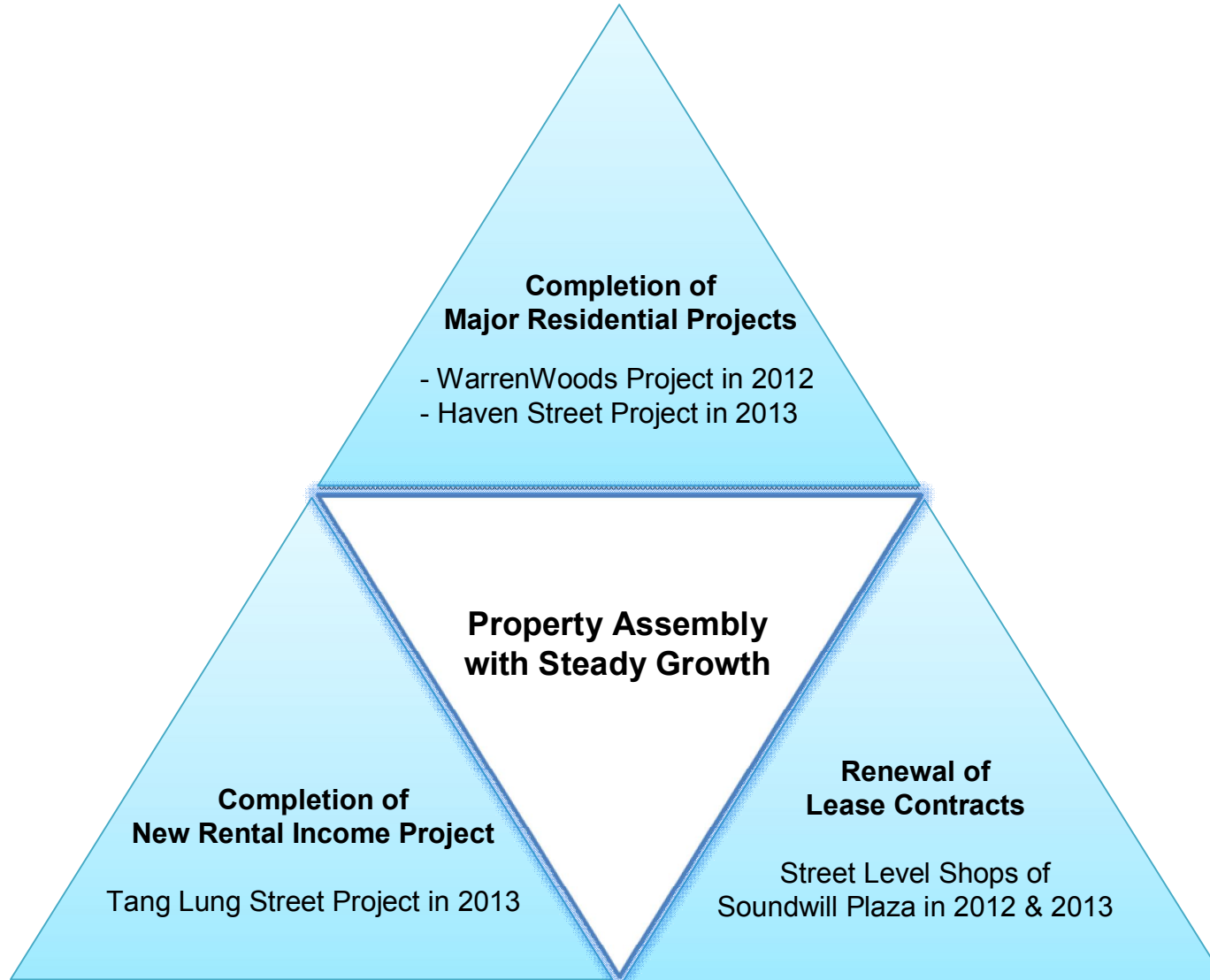
# Property Development Segment (Cont'd)

- **Work In Progress: Residential Projects**

	<b>Project</b>	<b>Location</b>	<b>Est. Year of Completion</b>	<b>Est. Approx. Saleable GFA (sq. ft.)</b>
1.	WarrenWoods	Hong Kong, PRC	2012	93,000
2.	Haven St. Project	Hong Kong, PRC	2013	103,000
3.	Zhuhai Project A (51% interest)	Guangdong Province, PRC	2012	589,000
4.	Zhuhai Project B (51% interest)	Guangdong Province, PRC	2014	824,000
5.	Zhangzhou Project	Fujian Province, PRC	2011	75,000
6.	Zhaoqing Project (85% interest)	Guangdong Province, PRC	2013	990,000
			<b>TOTAL:</b>	<b>2,674,000</b>

# Growth Drivers in Coming Years

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# Financial Review

# Group Financial Highlights

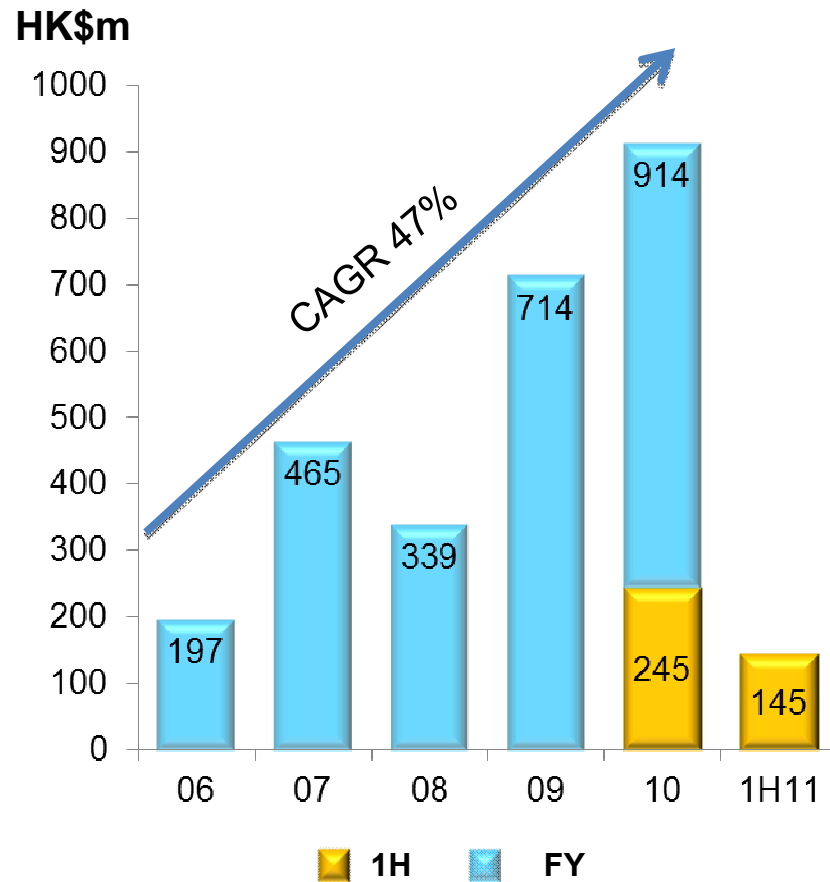
For the six months ended 30 June

	2010 (HK\$m)	2011 (HK\$m)	Change
<b>Revenue</b>	245	145	↓ 41%
<b>Cost of sales</b>	(109)	(18)	↓ 83%
<b>Gross profit</b>	136	127	↓ 7%
<b>Net profit</b>	630	1,004	↑ 59%
<b>Adjusted net profit*</b>	65	29	↓ 55%
<b>Gross profit margin</b>	55.5%	87.6%	↑ 32.1%
<b>Adjusted net profit margin</b>	26.5%	20.0%	↓ 6.5%

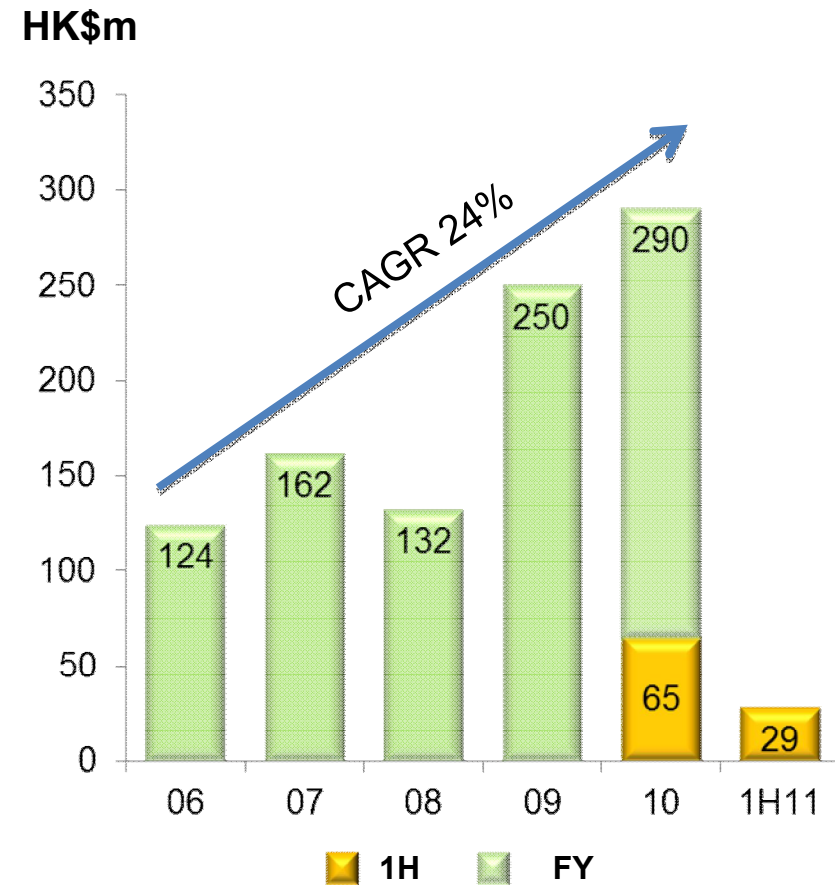
\*Net profit exclude fair value adjustments on investment properties

# Revenue & Net Profit Summary

**Revenue**



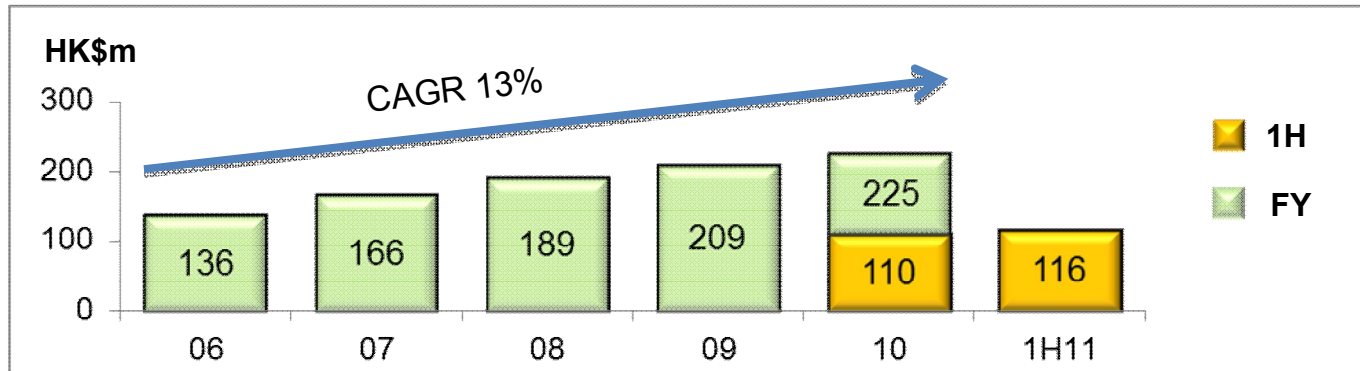
**Adjusted Net Profit\***



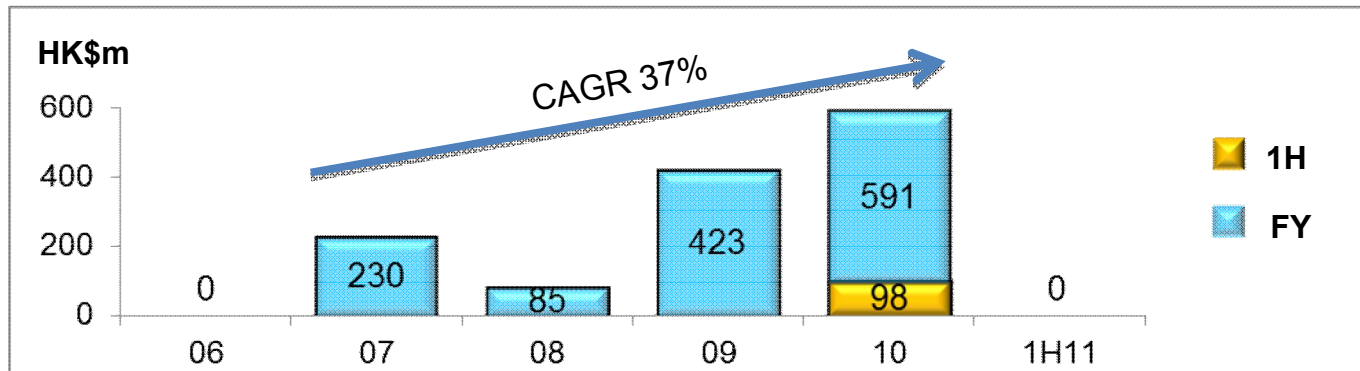
\*Net profit exclude fair value adjustments on investment properties

# Revenue Breakdown by Segments

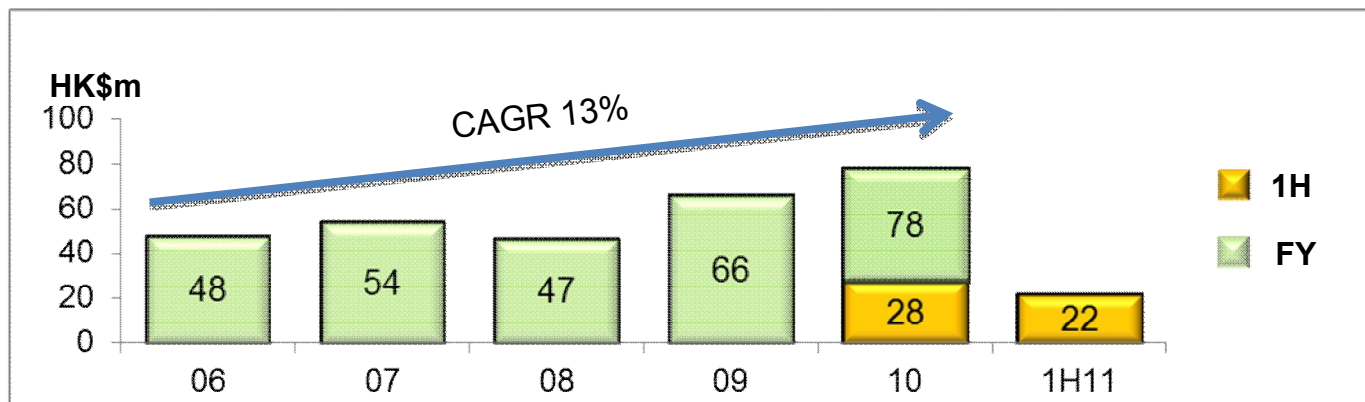
## Property Leasing



## Sale of Assembled Properties

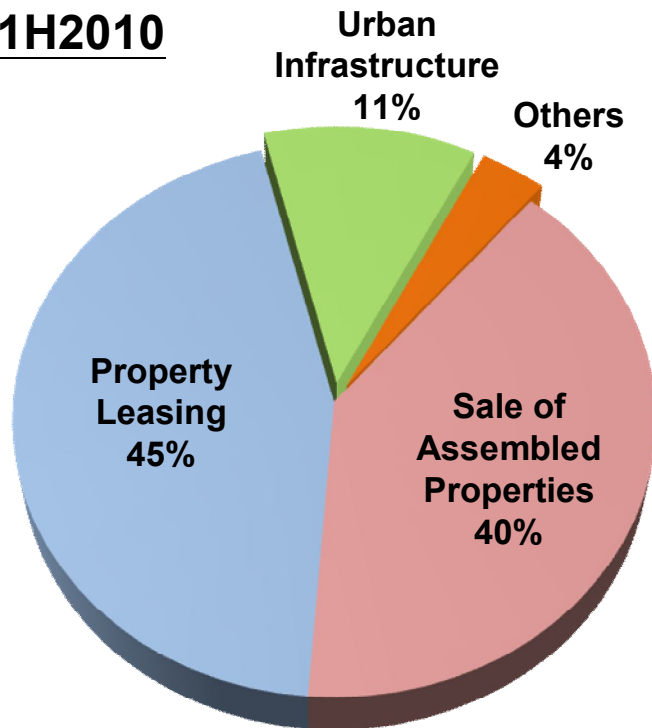


## Urban Infrastructure

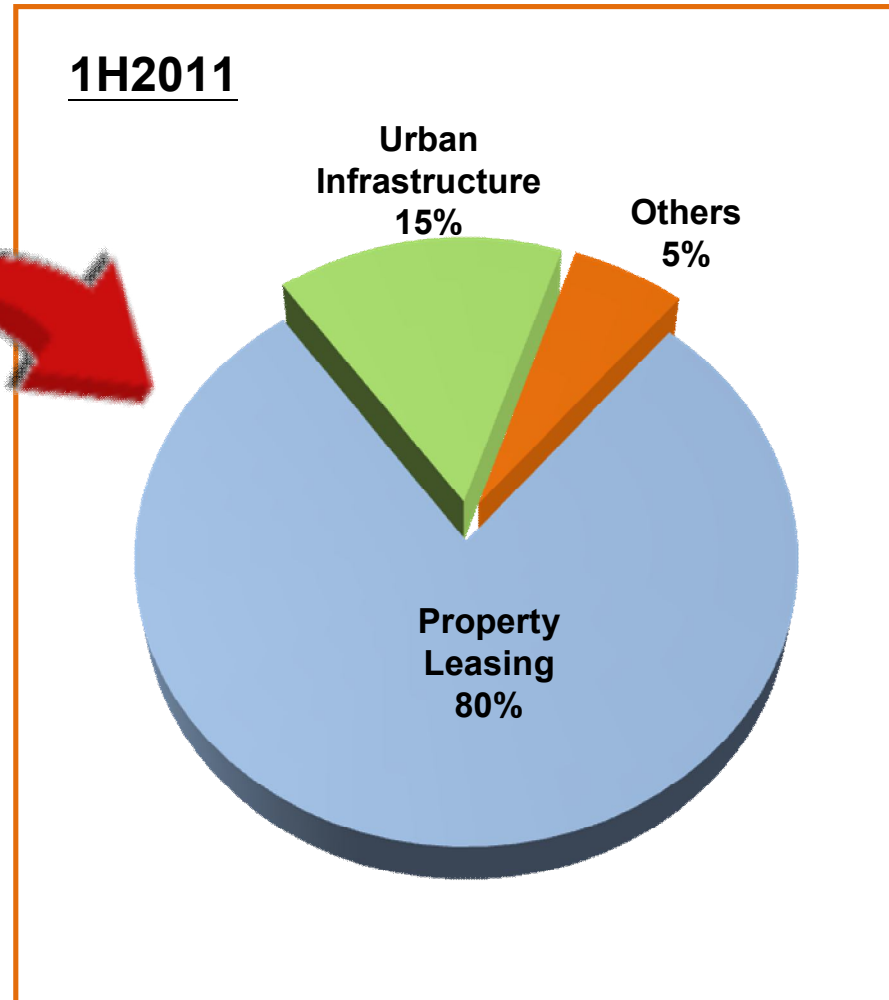


# Revenue Breakdown by Segments (Cont'd)

**1H2010**

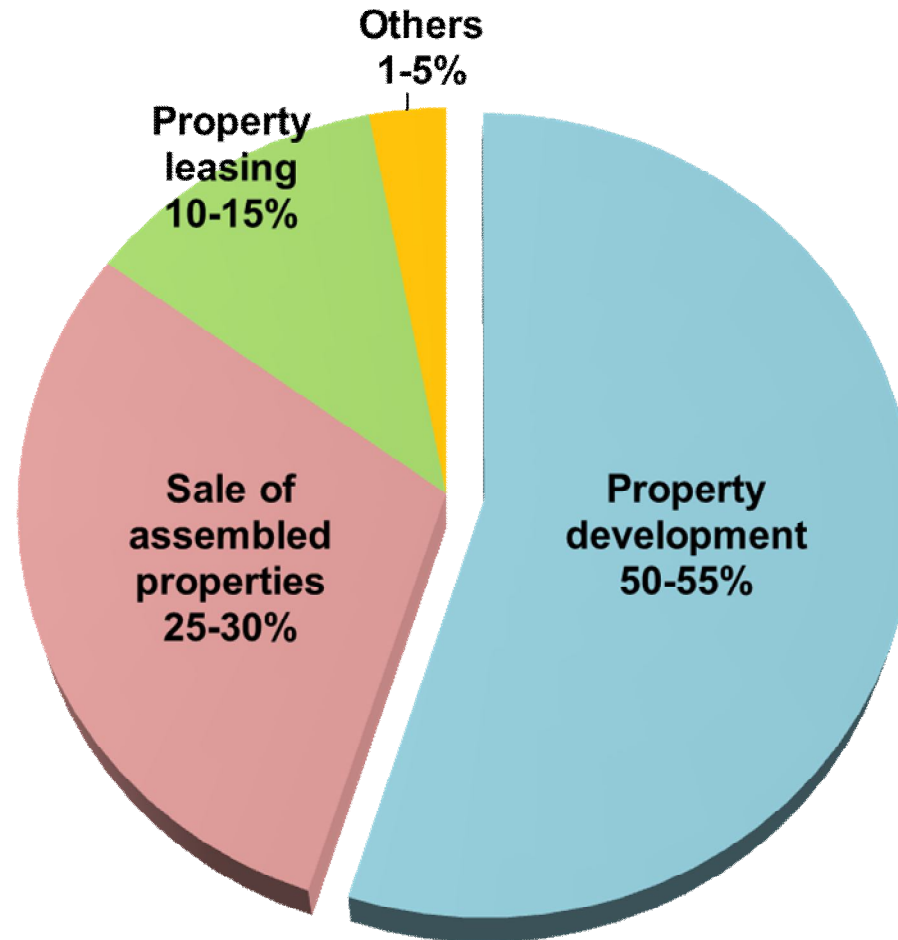


**1H2011**



# Outlook of Revenue Breakdown in 2012

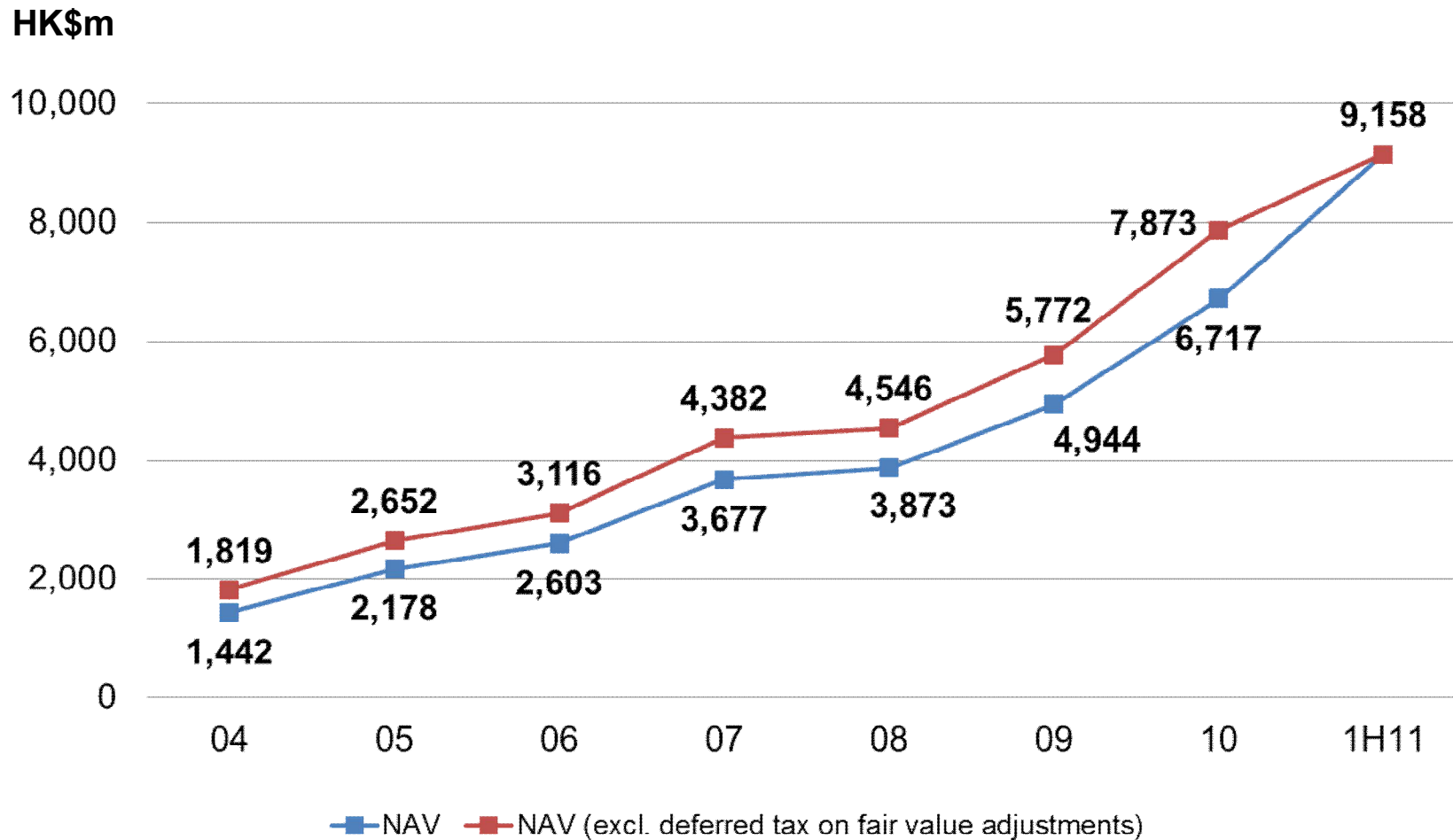
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# Net Asset Value

A proven track record showing substantial growth in our investment portfolio



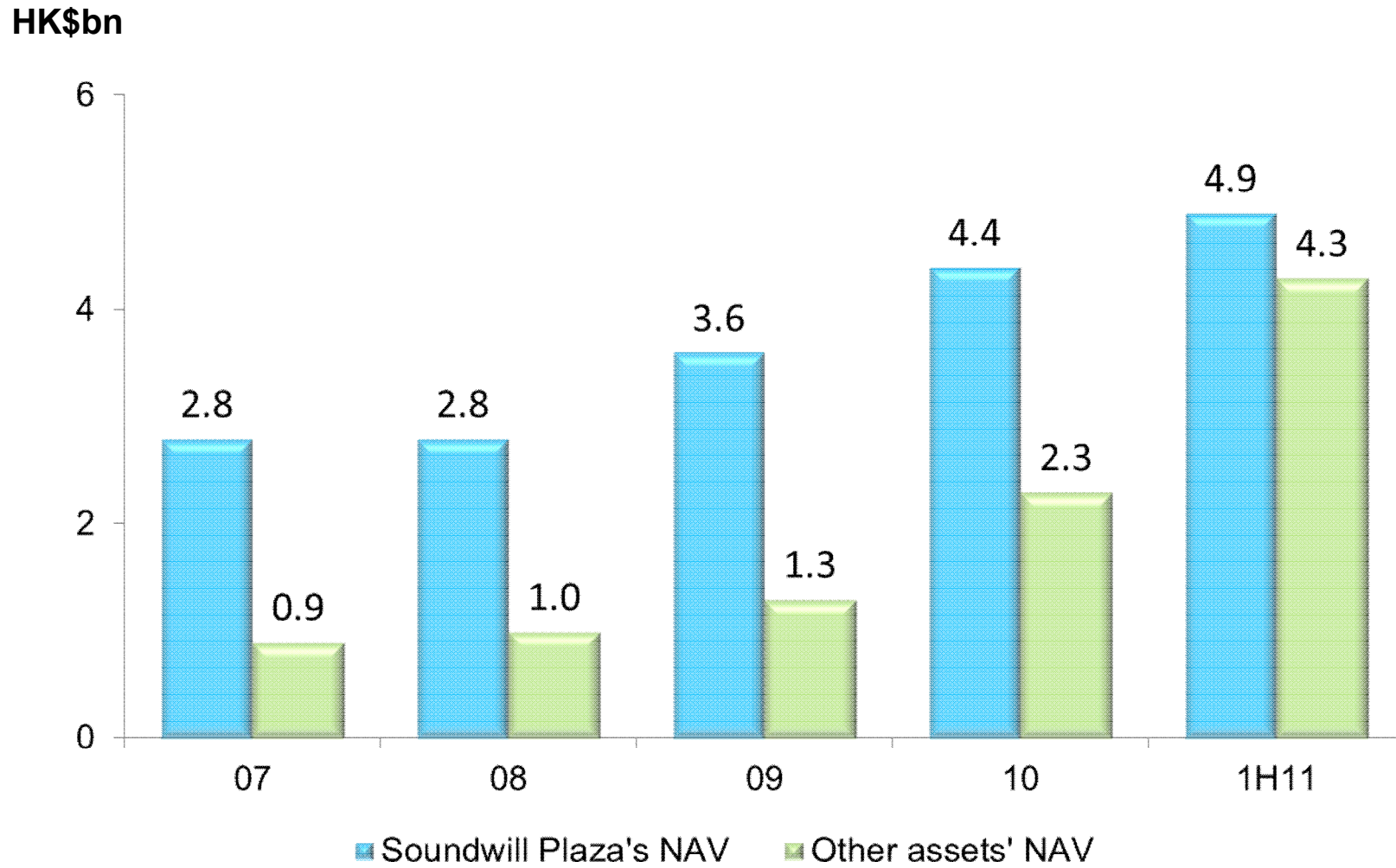
# Net Asset Value (Cont'd)

- ***Deferred Tax Adjustment***







	HK\$m	HK\$
NAV per book as at 31 Dec 2010 <sup>(1)</sup>	6,717	
NAV per share (HK\$)		27.8
<u>Add:</u>		
Deferred tax on investment properties	1,156	
Adjusted NAV as at 31 Dec 2010	7,873	
Adjusted NAV per share <sup>(1)</sup> (HK\$)		32.6

(1) Based on 241m shares in issue (as at 31 December 2010)

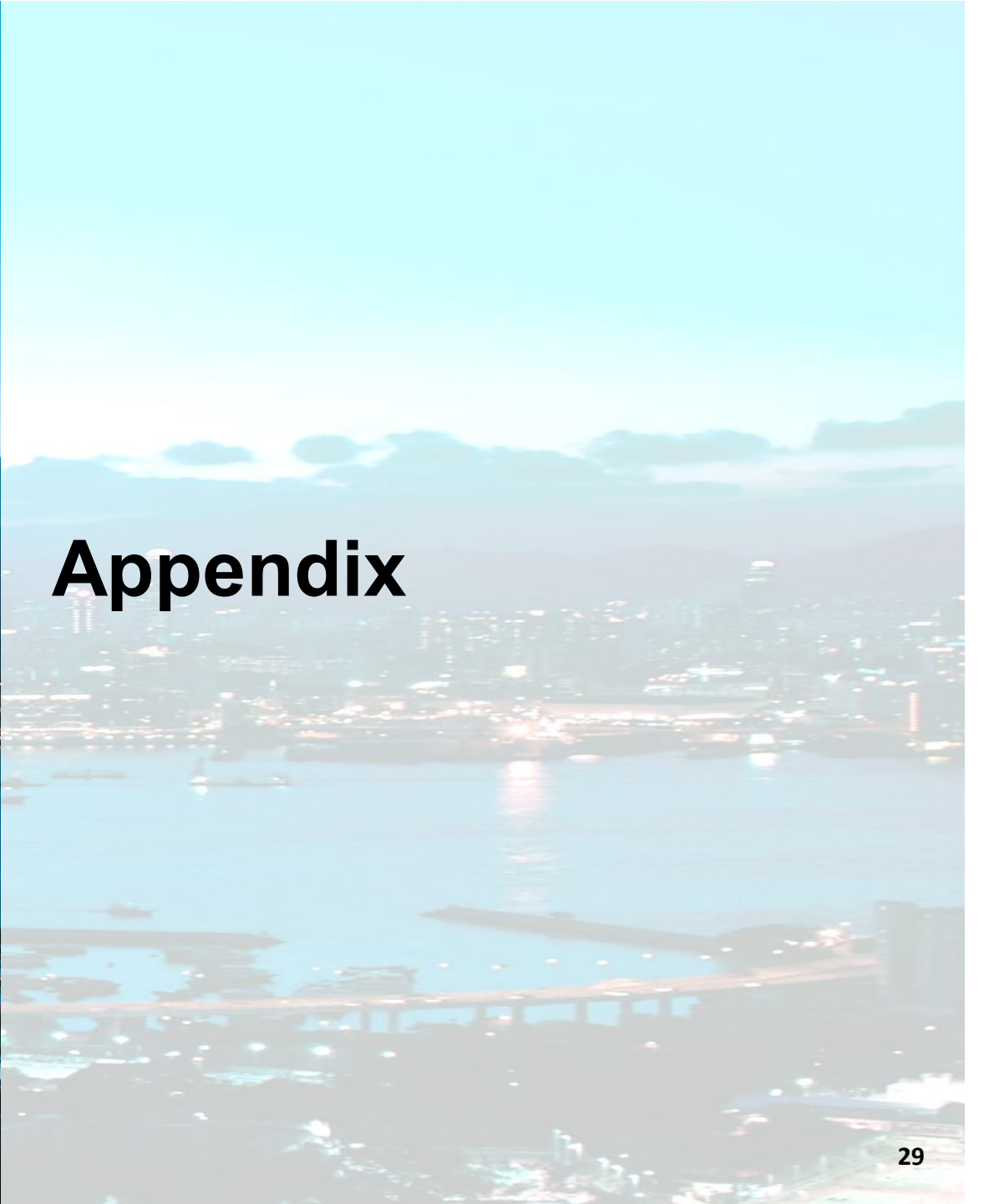
# Net Asset Value (Cont'd)



# Working Capital Management

	As at 31 Dec 2010 <i>(restated)</i> (HK\$m)	As at 30 Jun 2011 (HK\$m)	Change
<b>Net assets</b>	7,873	9,158	 16%
<b>Net assets per share (HK\$)</b>	32.6	33.3	 2%
<b>Cash and bank balance</b>	218	223	 2%
<b>Bank deposit at escrow account</b>	238	227	 5%
<b>Total debt</b>	3,092	3,286	 6%
<b>Gearing ratio*</b>	39%	36%	 3pp

\*Gearing ratio = Total borrowings / Total equity



# Appendix

# Senior Management Team

***Madam Grace Foo***

- Founder and Chairman of the Group
- Responsible for the Group's overall development director and strategies
- Over 40 years experience in the Hong Kong property business, with specialization in the acquisition of old buildings for redevelopment projects

***Ms. Vivian Chan***

- Executive Director of the Group
- In charge of Hong Kong property department and is responsible for the property development and leasing of Hong Kong properties of the Group
- Extensive experience in the property sector

***Mr. Kenny Kong***

- Executive Director of the Group
- In charge of the property development segment of the Group
- Qualified surveyor with over 21 years experience in the Mainland and Hong Kong property market

***Mr. WH Tse***

- Executive Director of the Group
- Responsible for leading the legal and company secretarial department of the Group
- Qualified lawyer with over 20 years experience in the legal field

***Mr. Dickson Lau***

- Financial Controller of the Group
- Responsible for leading the financial department of the Group
- Qualified accountant with over 20 years experience in the accounting field

# Summary of Share Placements in the Past 12 Months

Date	Buyers	Nature / Sellers	No. of Shares	Transaction Price (HK\$ per share)	Premium/ (Discount) on Market Price
Nov-10	Ajia Partners Asset Management	Old shares sold by Controlling Shareholder Family	250,000	7.70	0.65%
	Insight China Focus Fund		250,000		
	Sub-total:		500,000		
Jan-11	ASM Asia Recovery (Master Fund) & ASM Hudson River Fund	Old shares sold by Controlling Shareholder Family	500,000	9.5	-1.25%
	Insight China Focus Fund		500,000		
	Doric Capital Corporation		1,000,000		
	Sub-total:		2,000,000		
Apr-11	ASM Asia Recovery (Master Fund) & ASM Hudson River Fund & ASM Co-Investment Opportunity Trust I LP	Top-up placement by Controlling Shareholder Family	9,000,000	12.0	-0.825%
			Sub-total:		
May-11	Six Independent Third-Party Places	Top-up placement by Controlling Shareholder Family	10,000,000	12.2	-0.813%
			Sub-total:		
<b>Total:</b>			<b>21,500,000</b>		

# SWP Current Tenants

## Renowned brands



## Beauty centres



## Other services



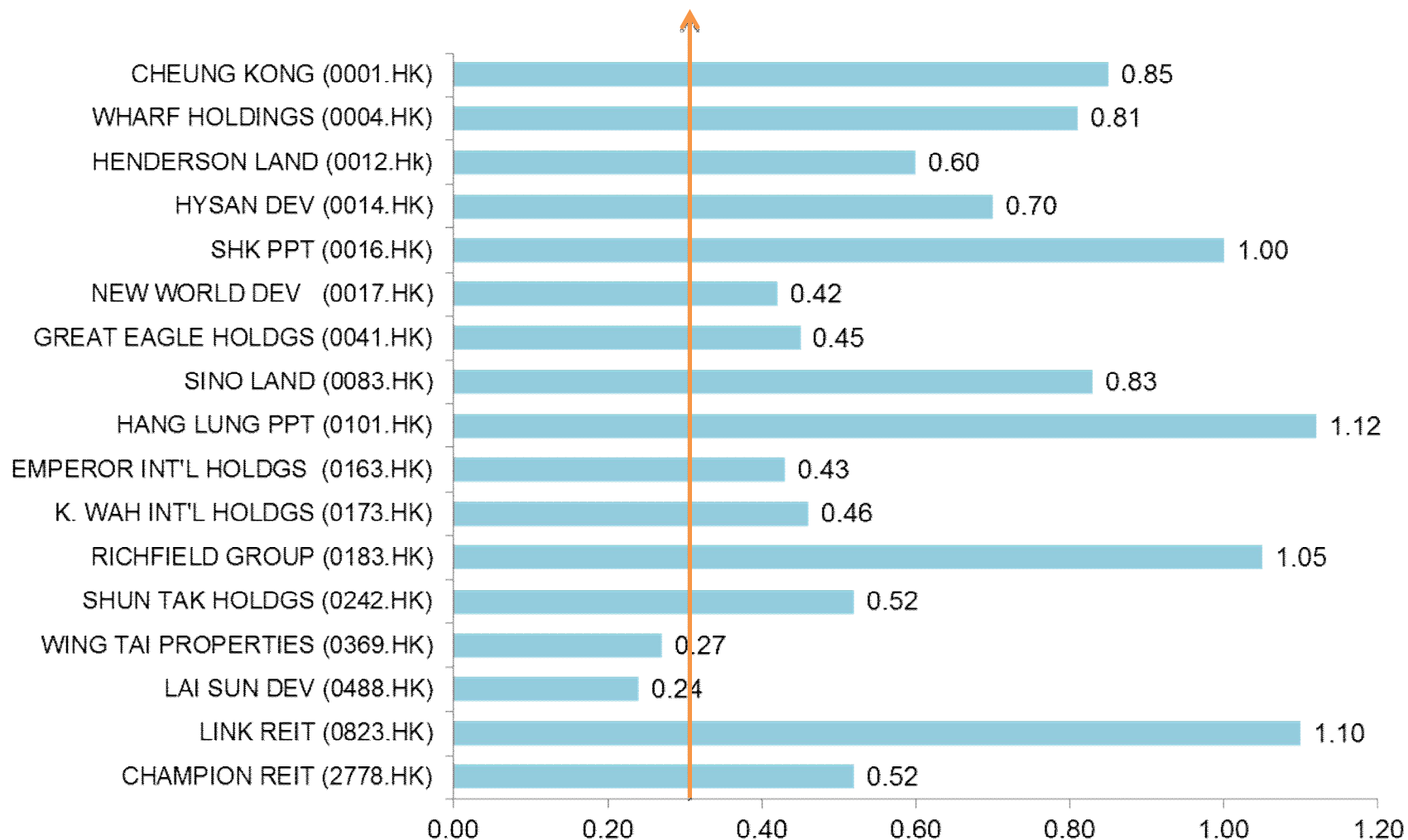
**Ginza-style arcade coupled with Grade-A office location attracts a cluster of high-end service sectors**



# Comparable Matrix – PB Ratio

*As at 31 August 2011*

**Soundwill PB Ratio = 0.29**

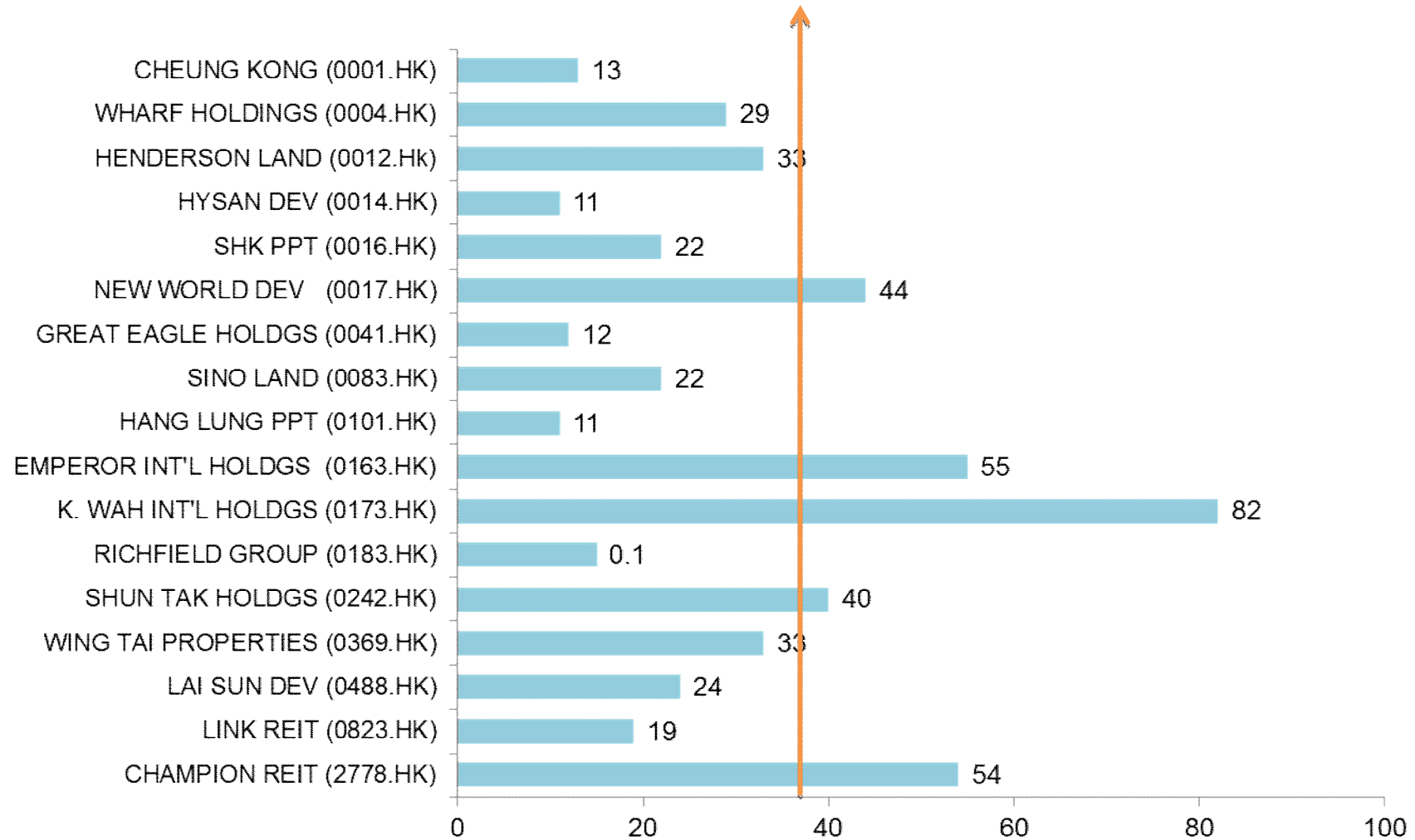


Source: Bloomberg & Company

# Comparable Matrix – Gearing Ratio

**As at 31 August 2011**

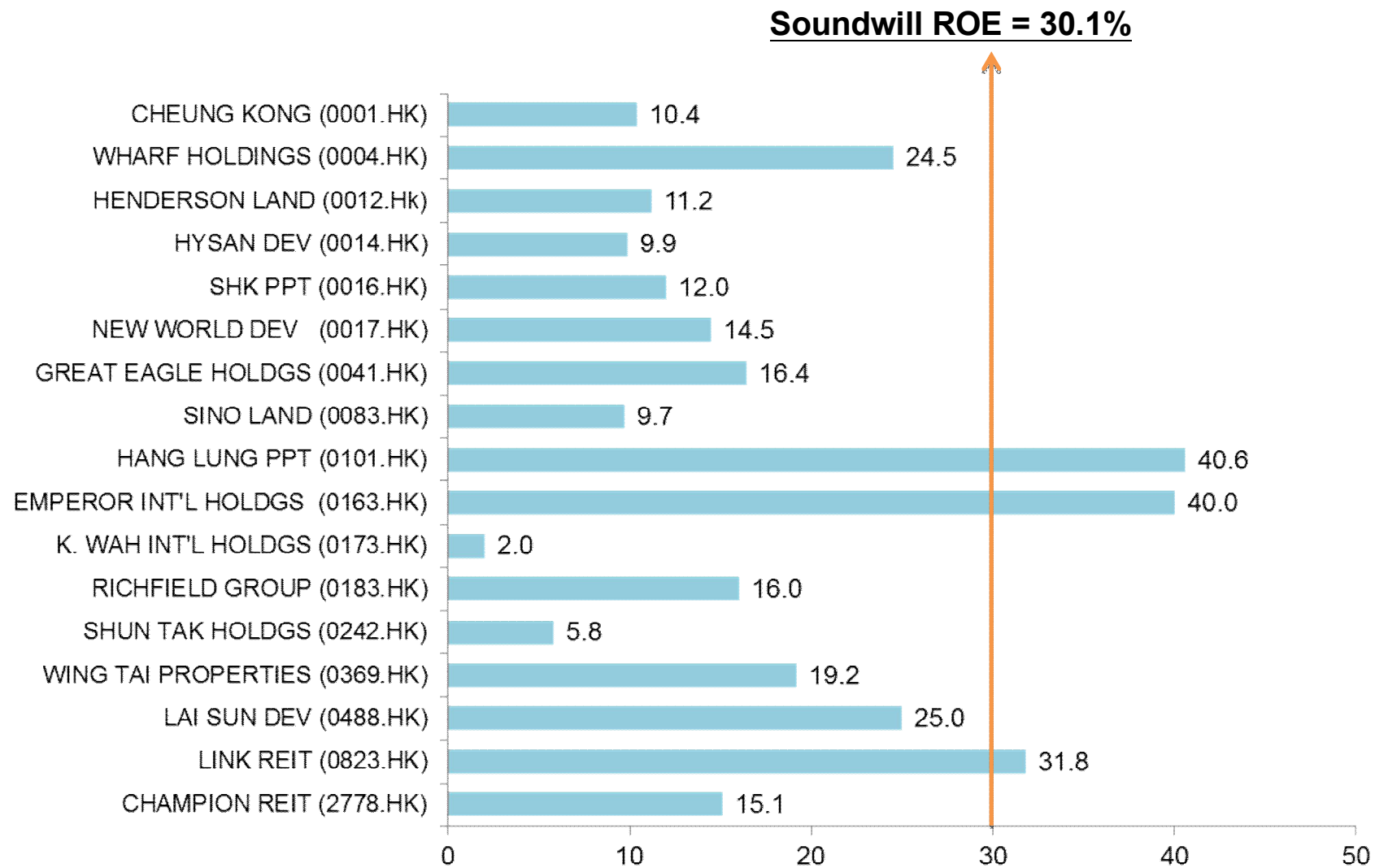
**Soundwill Gearing Ratio = 36%**



Source: Bloomberg & Company

# Comparable Matrix – Return on Equity

*As at 31 August 2011*



Source: Bloomberg & Company



# Open Forum

